



NEWS RELEASE

United States Department of Agriculture • Rural Development
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LUFKIN, TEXAS, April 13, 2006- Bryan Daniel, USDA Rural Development State Director, today announced the availability of loans and grants to assist homeowners in the counties affected by Hurricane Rita. These funds may be used to purchase or repair homes in the 32 counties included in the Presidential declaration resulting from the hurricane. Loans and grants, available for rural residents, can help with the purchase or construction of homes, through the agency's direct and guaranteed programs, and can help with the repair and rehabilitation of homes.

"USDA Rural Development is proud of the help we have provided to rural residents affected by Hurricane Rita. These additional funds recently expanded in eligibility to towns in east and southeast Texas."

Applicants that have an income below 80% of the area median income for a direct homeownership loan, or below 115% of the area median income for a guaranteed homeownership loan, in designated disaster areas, are eligible to apply.

Loans, up to \$20,000, are provided for housing repairs at a 1% interest rate. Grants are limited to \$7,500 and only to those who cannot afford a 1% loan, provided the applicant has the legal authority to enter into such a transaction. Assistance is available to existing homeowners in designated disaster areas that have an income that does not exceed 50% of the area medium income. In addition, grant funds are set-aside for applicants regardless of age, provided the applicant has the legal authority to enter into such a transaction.

USDA Rural Development also has temporary authority to allow the population limits to be waived for a period of three years from the date of declaration. Based upon this statutory authority, USDA Rural Development immediately increased the population limits for its housing program to 50,000 in any county or parish declared for individual assistance as a result of Hurricanes Katrina and Rita. The additional cities in Texas are Conroe, Huntsville, Lufkin, Nacogdoches and Orange.

For more information on the availability of these funds and the application process, please contact the Lufkin Local Office at (936) 634-9900, Extension 4.

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Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."

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